



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460


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OFFICE OF  
SOLID WASTE AND EMERGENCY  
RESPONSE

OSWER 9200.1-83

**MEMORANDUM**

**SUBJECT:** Policy for Issuing Superfund Interagency Agreements for Assigning Superfund Remedial Design or Remedial Action work to the U.S. Army Corps of Engineers and Other Federal Agencies

**FROM:** James E. Woolford, Director   
Office of Superfund Remediation and Technology Innovation

**TO:** Superfund National Policy Advisors

**Purpose and Scope**

This memorandum revises EPA's 2003 policy for assigning Superfund Remedial Design (RD) or Remedial Action (RA) work to the U.S. Army Corps of Engineers (USACE) and other Federal agencies (the use of the term USACE is used throughout the remainder of this policy to refer to USACE or other Federal agencies). Specifically, the policy reiterates the need to document decisions to use the USACE and only applies when selecting USACE for RD/RA work. It also implements the use of cost estimates of USACE staff providing support for the Superfund program, and provides terms and conditions that identify USACE requirements when providing EPA support through an IAG. The revised policy should increase national consistency in our decisions regarding selection of the USACE for Superfund RD or RA support.

The revised policy notes the need to document decisions to use USACE for Superfund RD or RA work through IAGs. As part of the documentation we have prepared the following to assist regions in making the determination to use the USACE and to monitor the work under the IAG. This memorandum provides:

- A template of factors to consider when documenting a decision to select USACE for RD or RA support,
- Spreadsheets for use by regions in estimating USACE's staff costs, and
- Generic terms and conditions for use by remedial project managers (RPMs), IAG Project Officers or others within EPA to assist in monitoring USACE's costs, quality and timeliness under IAGs.

Although this policy was prepared for RD/RA IAGs, offices have the discretion of applying this policy to IAGs which request support for work other than RD/RA, such as five year review activities, real estate activities, or technical assistance.

## **Background**

EPA obtains RD/RA support through either its EPA procured and managed Remedial Action Contracts (RACs) or the services of the USACE through an IAG. EPA has relied on the USACE to provide construction support for the Superfund program based on their expertise as both constructors and construction contract and project administrators. The USACE supports EPA with an on-site Federal presence at Superfund sites, along with expertise in contract administration, field level management and management of construction change orders and claims. In addition, the USACE provides overall construction expertise, such as preparing cost estimates or verifying cost estimates on remedial designs, supporting the acquisition of easements and real estate, and assisting in the temporary relocation of residents impacted by site remediation. Thus, the regions have choices in assigning a project to either an EPA RAC contractor or to the USACE.

EPA's May 19, 2003 policy entitled "Policy for Assigning Remedial Work to the USACE" provided criteria for assigning Superfund RD or RA work. The 2003 policy superseded earlier memoranda regarding this topic, and noted that considerations other than cost often enter into selecting contracting options and that regions have flexibility to use the most appropriate contracting tools. The 2003 policy stated there is no dollar threshold directing which contracting option to use, and that regions may find it beneficial to use USACE for a variety of functions including construction contract administration assistance, field level management and oversight of private engineering and construction contractors. The 2003 policy also stated that Regions should conduct and document analyses used to select an IAG as the most appropriate vehicle to conduct RD or RA activities. These requirements remain in effect and are reaffirmed in the new policy.

## **Implementation**

This policy only applies when selecting USACE for RD/RA work. If the region selects the RAC contract for such work, there is no need for the justifications and documentation discussed in this policy.

In order to comply with this policy, EPA regional and headquarters staff should conduct and document analyses and decisions, estimate USACE's staff costs and include appropriate terms and conditions in the IAG. Each of these points is discussed in the following sections.

### **1. Analysis and Documentation Requirements in Selecting the USACE for Superfund RD or RA Support**

When regions select USACE to provide Superfund RD or RA support at a site, regions should prepare the IAG decision memorandum and pay particular attention to the justification section. The justification should recap the analysis for selecting the USACE. In addition, the matrix (or regional version of the matrix) should be attached. The cost estimate for the IAG should include anticipated USACE's Full Time Equivalent (FTE) staff hours/costs, travel and other direct costs as part of the IAG file.



The decision memorandum and matrix should document all vehicles considered (e.g., USACE, other Federal agencies, EPA contractors such as RAC, or contracting options through state agencies), and discuss the various factors and basis for the selection of USACE to conduct the work. A proposed format for such a decision memorandum is provided in Attachment 1 and a proposed format for the matrix is provided in Attachment 2. All decision memoranda should minimally contain the information provided in Attachments 1 and 2. Regions may adjust the format of the decision memorandum and matrix and add additional information as appropriate.

Several important factors are listed on the matrix, including:

- Whether sufficient EPA resources are available for the acquisition of RD or RA support
- Whether sufficient EPA resources are available to provide a significant or extensive Federal presence if needed at the site
- Whether particular experience such as with large, complex construction projects is desirable
- Whether USACE, another Federal agency or state or EPA contractors such as a RAC contractor has unique or particularly relevant experience working at the site or a similar site

## 2. Estimating USACE's Staff Costs

EPA project officers should prepare a cost estimate as part of the IAG package. This estimate should include USACE's staff hours/costs, travel and other direct costs and should be prepared before the IAG is issued, before commencing IAG work planning discussions with USACE/other Federal agency (e.g., before USACE/other Federal agency procures a contractor for RD or RA work). EPA will use this estimate to assist in discussions and negotiations with USACE regarding costs associated with the IAG. The estimate is separate from the detailed remedial project Independent Government Cost Estimate (IGCE) prepared by USACE for negotiation with the remediation contractor. Two spreadsheets for preparing the EPA estimate of USACE costs (one for RD and the other for RA projects) are provided in Attachment 3. Project officers should adjust the assumptions in the spreadsheets as appropriate to account for known variations in individual projects.

After an IAG award, EPA will use this estimate to assist in discussions and negotiations with USACE regarding costs associated with the IAG. After these discussions occur, if estimated costs for USACE in-house costs for providing RD or RA support to EPA deviate more than 10% from the estimated costs produced through use of these spreadsheets, a brief explanation for the deviation should be provided with the estimated cost breakdown. The final, agreed-upon costs with reasons for any variance from the estimated costs should be documented and attached to the EPA estimate within the IAG file.

## 3. IAG Terms and Conditions to Assist RPMs in Monitoring USACE Costs, Quality, and Timeliness:

A variety of suggested Superfund terms and conditions associated with monitoring costs, quality and timeliness in Superfund IAGs are provided in Attachment 4. These terms and conditions include requirements for: cost documentation (direct and indirect costs), reporting,

cost recovery, record retention, audits, financial closeout, property disposition, minority business utilization and reporting, and project specific conditions. These terms and conditions should be reviewed during negotiations with USACE on new IAGs, and those deemed appropriate should be inserted into IAGs.

#### 4. Regional Certification of IAG-Specific Documentation:

After signature, regions should attach the decision memorandum and completed list of selection factors (i.e., the matrix) in EPA's Integrated Grants Management System (IGMS). EPA Headquarters will review regional documentation annually to ensure compliance with this policy.

On an annual basis, on or about October 15<sup>th</sup> of each year, each region should certify in a memorandum to the Director of the Resources Management Division within EPA's Office of Superfund Remediation and Technology Innovation (OSRTI) that all situations where EPA selected USACE to provide Superfund RD or RA support were documented appropriately. The region should list each site or project and IAG number in this memorandum. Headquarters will verify compliance with this policy by reviewing each region's annual self-certification memorandum, and a sampling of decision memoranda and completed lists of selection factors.

#### **Further Information**

If you have any questions regarding the policy please contact Barbara McDonough at 703-603-9042 or Ed Hanlon at 703-603-9069.

#### Attachments

- Attachment 1: Memorandum Documenting Selection of USACE for Superfund RD or RA Support
- Attachment 2: Decision Factors for Selecting USACE for Superfund RD or RA Support
- Attachment 3: Spreadsheets for Estimating USACE FTE Hours/Costs, Travel and Other Direct Costs for RD or RA Support at Superfund Sites
- Attachment 4: IAG Terms and Conditions to Assist RPMs in Monitoring USACE Costs, Quality and Timeliness

cc: Dr. Ed Theriot, USACE  
Kip Huston, USACE  
Greg Jordan, USACE  
Luis Luna  
Howard Corcoran  
Johnsie Webster  
Barnes Johnson  
Joan Harrigan-Farrelly  
Elizabeth Southerland  
Barbara McDonough  
Regional Superfund Remedial Branch Chiefs  
Regional IAG Coordinators  
Ed Hanlon



**Attachment 1:**  
**Memorandum Documenting Selection of USACE**  
**for Superfund RD or RA Support**

Regions should document the analysis and decisions regarding use of USACE for Superfund RD or RA support through a decision memorandum prepared by RPMs and concurred upon by a Regional Branch Chief. A proposed format for such a decision memorandum is provided below, and all decision memoranda should minimally contain the information provided in this Attachment. Regions may adjust the format of this decision memorandum and add additional information to this document as appropriate. This decision memorandum may also be used when documenting the selection of other Federal agencies for support at Superfund RD or RA projects.

MEMORANDUM

SUBJECT: Decision Memorandum, Selection of U.S. Army Corps of Engineers for Superfund RD or RA Support at the *[add site name]* Site

From: *[Appropriate regional personnel who are designated with authority to sign such documents]*

To: *[Appropriate regional personnel who are designated with authority to enter into IAGs with other Federal agencies]*

I. Purpose:

The Purpose of this memorandum is to document that the Superfund Division has selected the U.S. Army Corps of Engineers (USACE) to provide Superfund RD or RA support for site activities at the *[add site name]* Site.

II. Justification for Selecting USACE to Provide Superfund RD or RA Support at the *[add site name]* Site:

Document the reasons why the EPA region wants to use USACE through an IAG to support work at a site. Provide a copy of the decision matrix that was prepared that supports the decision to use USACE; a list of selection factors that should be included in the matrix is provided in Attachment 2. Include estimate of anticipated USACE Full Time Equivalent (FTE) hours/costs, travel and other direct costs prior to entering into an IAG with USACE. This estimate will be used by EPA when negotiating the IAG with USACE.

In general, the decision should be based on a finding that obtaining the USACE support services through the IAG will be an efficient approach, considering all the factors outlined in the decision matrix. Other reasons should also be described. In particular, provide the following in the decision memorandum:

A. A discussion of the alternatives to an IAG the office considered and why the IAG mechanism with USACE was selected.

B. A statement that the cost of the proposed work is reasonable, considering efficiency, based on an independent estimate of USACE labor, travel, and other direct costs developed by EPA. Spreadsheets for use by regions in estimating USACE FTE hours/costs, travel and other direct costs for Superfund RD or RA support will be inserted on OSRTI's intranet website at <http://intranet.epa.gov/osrti/> for use by EPA regions. They will likely be inserted either on OSRTI's contracting intranet website at <http://intranet.epa.gov/osrti/rmd/cmb/> or on OSRTI's cost estimating intranet website at <http://intranet.epa.gov/oerrinet/rmd/cmb/cet/index.htm>. Regions may adjust these spreadsheets as appropriate.

C. An explanation of why USACE was selected. Provide a copy of the decision matrix that was prepared that supports the decision to use USACE.

### III. Project Objectives, Authority, and Statement of Work:

The decision memorandum and matrix should describe the proposed project's objectives and explain how the IAG will accomplish them.

A. The objectives should be consistent with the statutory authority for the agreement. If the funded work is part of a larger project, the description of the project should be clear as to which parts of the work will be funded by the IAG and which will not.

B. The statutory authority that is the basis for the transfer of funds under the IAG should be stated. Generally, the authority will be §105(a)(4) and §115 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC 9601 *et seq.*, as amended by SARA, as implemented by 40 CFR 300, and 10 U.S.C. 3036(d), in conjunction with Executive Order 12580. Superfund IAGs are not subject to the requirements of the Economy Act, 31 U.S.C. § 1535. Discuss what is the appropriate authority with EPA's Grants Division.

C. Include a copy of the Statement of Work to be accomplished at the site.

### IV. FUND AVAILABILITY.

Provide copy of EPA Commitment Notice that would authorize the release of Funds to USACE to accomplish the work under the IAG.

### V. OTHER INFORMATION AND GUIDANCE.

Each complete funding package must include an EPA IAG Form (EPA Form 1610-1).

Include other relevant information as appropriate.

**Attachment 2:  
Decision Factors for Selecting USACE  
for Superfund RD or RA Support**

EPA regions should consider various factors listed in the attached form when deciding whether to use USACE for Superfund RD or RA support at a site.

<b>ASSIGNMENT OF SUPPORT TO USACE FOR SUPERFUND WORK</b>					
<b>Site Name</b>			<b>Operable Unit</b>		
<b>Activity Type (RD or RA)</b>					
<b>Period of Performance</b>		<b>From:</b>			
		<b>To:</b>			
<b>Approximate Total Cost of Project</b>					
<b>FACTOR</b>		<b>CONSIDERATION</b>	<b>RECOMMENDED VEHICLE</b>		
	<b>Yes/ No/ NA</b>		<b>EPA Contractor Such as RACS</b>	<b>USACE</b>	<b>OTHER (specify)</b>
1) Are there sufficient and skilled EPA resources (RPM, contract specialist, contracting officer, etc) and sufficient time available for those resources to manage and inspect a Remedial Action (construction) project if a site specific contract is awarded or the project is assigned to EPA contractors such as a RAC contractor?		Please discuss. If no, then support through another vehicle such as USACE may be more appropriate.			
2) Is a significant or extensive Federal presence needed at the site (i.e., to support community involvement, provide contractor oversight, site security, congressional interest, etc.)?		Please discuss. If yes, then support through another vehicle such as USACE may be more appropriate			



FACTOR	Yes/ No/ NA	CONSIDERATION	RECOMMENDED VEHICLE		
			EPA Contractor Such as RACS	USACE	OTHER (specify)
3) Are there Site characteristics or features (e.g., rivers, dams, etc.) or remedies (e.g., harbor dredging) that may benefit from expertise and experience primarily available from the USACE?		Please discuss. If yes, then support through another vehicle such as USACE may be more appropriate			
4) Is particular experience such as with large, complex construction projects desirable?		Please discuss. If yes, then support through another vehicle such as USACE may be more appropriate			
5) Does USACE, another Federal agency, or EPA contractors such as RAC have prior experience at a similar site or project?		Please discuss. If yes, then support from this entity (USACE, another Federal agency, or another vehicle such as RAC) may be appropriate			
6) Does the work involve relocation of residents, real estate acquisition or other real estate concerns?		Please discuss. If yes, then support from another vehicle such as USACE may be appropriate. Support for other remaining aspects of work should be separately evaluated.			
7) Is continuity of existing support through a vehicle such as USACE, another Federal agency, or EPA contractors such as RAC desirable for this work?		Please discuss. If yes, then specify which vehicle provides access to that contractor or personnel and provide a brief history of contracting and other support at the Site with an assessment of past performance. If past performance has been satisfactory, then continued support from this entity may be appropriate.			



FACTOR		CONSIDERATION	RECOMMENDED VEHICLE		
			EPA Contractor Such as RACS	USACE	OTHER (specify)
8) Is the size, scope and duration of the contract with EPA contractors such as RAC sufficient to handle the work?	Yes/ No/ NA	Please discuss. If no, then support from a vehicle such as USACE may be appropriate.			
9) Do the USACE, another Federal agency, or another vehicle such as RAC have an office in close proximity to the site, and would such proximity greatly assist EPA in conducting work at the site?		Please discuss. If yes, then support from this entity (USACE, another Federal agency, or another vehicle such as RAC) may be appropriate			
10) Other Factors (e.g., availability of USACE's staff to conduct site-work within EPA's anticipated schedule; potential or actual conflicts of interest regarding USACE, another Federal agency, or EPA contractors such as RAC impacting ability to conduct site-work; etc.)		Please discuss.			

Selection Decision (Summarize decision and main factors that lead to that decision)

_____ Prepared by RPM (include name and signature)	Date
_____ Reviewed by Section Chief (include name and signature)	Date
_____ Approved by Branch Chief (include name and Signature)	Date

**Attachment 3:**  
**Spreadsheets For Estimating USACE/Other Federal Agency FTE Hours/Costs, Travel and Other Direct Costs for RD or RA Support at Superfund Sites**

Background and Purpose of Spreadsheets:

The following calculations are for use by EPA regions in estimating USACE FTE hours/costs, travel and other direct costs for Superfund RD or RA support. Regions may adjust these spreadsheets as appropriate. These calculations may also be used when estimating other Federal agency costs, with adjustments for management and support fees and other adjustments as appropriate.

The calculations noted below will be converted into electronic spreadsheets which will be inserted on OSRTI's intranet website at <http://intranet.epa.gov/osrti/> for use by EPA regions. They will likely be inserted either on OSRTI's contracting intranet website at <http://intranet.epa.gov/osrti/rmd/cmb/> or on OSRTI's cost estimating intranet website at <http://intranet.epa.gov/oerrinet/rmd/cmb/cet/index.htm>. Regions should adjust the assumptions in the spreadsheets as appropriate to account for known variations in individual projects. These spreadsheets may also be adjusted in the future and updated on the above websites when improved methods for estimating USACE FTE hours/costs, travel and other direct costs for Superfund RD or RA support become available.

The target audience for these spreadsheets includes RPMs, project officers (POs), contracting officers (COs), and other members of the contract management team for a Superfund project who may be involved with the development of cost estimates or managing IAGs. The goal of these spreadsheets is to promote the development of more detailed and complete estimate of USACE "in-house" costs for providing Superfund RD or RA support to EPA that will allow for better control of costs. These spreadsheets are intended to provide a rough estimate of such USACE in-house costs, and the actual costs may vary depending on project size, scope, complexity and duration. These spreadsheets should assist RPMs as follows:

- Help identify shortcomings in the scope or statement of work (SOW), allowing problems to be resolved before work begins and contractors are hired;
- Help make scoping meetings more productive, improving the opportunity for a well thought out plan of work to be developed; and
- Provide a foundation upon which to track changes in assumptions in the approved work plan, placing the government in a better position to guide the direction of the work and refute increased costs.

This estimate should be prepared by the EPA RPMs, project officers or others within EPA before the IAG is issued, and before commencing IAG work planning discussions with USACE/other Federal agency (e.g., before USACE/other Federal agency procures a contractor for RD or RA work). The total estimate should be referred to within the decision memorandum, and the spreadsheet results should be included within the IAG file managed by the EPA RPMs, project officers or others within EPA who manage the IAG.



After IAG award, EPA will use this estimate to assist in discussions and negotiations with USACE regarding costs associated with the IAG. EPA should discuss the total estimated Architect/Engineer costs, total estimated USACE in-house costs, and the number of hours anticipated to be spent by USACE staff with varying labor costs to support the project. The spreadsheets below provide information on how to calculate these costs and hours.

After these discussions occur, if estimated costs for USACE in-house costs for providing RD or RA support to EPA deviate more than 10% from the estimated costs produced through use of these spreadsheets, a brief explanation for the deviation should be provided with the estimated cost breakdown. The final, agreed-upon costs with reasons for any variance from estimated costs should be documented and attached to the initial EPA estimate within the IAG file.

### **A) Spreadsheet For USEPA Estimate of USACE In-House Costs – Remedial Design**

This estimate is for USACE in-house costs for conducting remedial designs. Regions should adjust the assumptions in the spreadsheets as appropriate to account for known variations in individual projects.

**Project Name:** \_\_\_\_\_

**Prepared by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

#### **I. Determine Total IAG Dollar Amount**

**(1) ROD estimate for remedy:** \$ \_\_\_\_\_

**(2) Architect/Engineer Contractor Cost\* (A/E Cost), say  
5 to 15 % of ROD estimate:** \$ \_\_\_\_\_

\*Notes:

a) As noted below, as the ROD's RA cost estimate increases, the A/E cost as a percentage of the total RA cost generally decreases.

b) As the RA cost estimate decreases, the A/E cost as a percentage of the total RA cost generally increases.

c) As RD and RA complexity increases, the A/E cost generally increases.

<b><u>RA Estimate in ROD</u></b>	<b><u>A/E Cost</u></b>
Up to \$1.0 Million	15%
\$1.0 Mil to \$5 Mil	12%
More than \$5 Mil	5 to 9%

**(3) USACE Labor Costs,\*\***  
**approximately 20 to 25% x line (2):** \$ \_\_\_\_\_

\*\*Note: As RD and RA complexity increases, the USACE Labor Costs cost as a percentage of the A/E cost generally increases.

### **Breakdown of USACE Labor Costs:**

EPA should next estimate the total labor costs for USACE staff during RD, broken down by task and by GS level. An estimated breakdown of USACE staff time per Task is provided below. EPA Regions should adjust this breakdown as appropriate, depending on the type and complexity of the RD.

(a) Task 1 – Project Management [25% of line (3)] = \$ \_\_\_\_\_

***Breakdown for Task 1:***

Program Manager, 5% of line (a) \$

Project Manager, 30% of line (a) \$

Technical Staff, 40% of line (a) \$

Administ. Staff, 5% of line (a) \$

Contracting, 20% of line (a) \$ \_\_\_\_\_

(4) Subtotal = \$

(b) Task 2 – Contractor Oversight/RD Reviews  
[55% of line (3)] = \$ \_\_\_\_\_

***Breakdown for Task 2:***

Project Manager, 35% of line (b) \$

Technical Staff, 50% of line (b) \$

Contracting, 15% of line (b) \$ \_\_\_\_\_

(5) Subtotal = \$

(c) Task 3 – RA Support – Contracting for  
RA [15% of line (3)] = \$ \_\_\_\_\_

***Breakdown for Task 3:***

Project Manager, 45% of line (c) \$

Technical Staff, 45% of line (c) \$

Contracting, 10% of line (c) \$ \_\_\_\_\_

(6) Subtotal = \$

(d) Task 4 – Project and IAG Closeout [5% of line (3)] = \$ \_\_\_\_\_

***Breakdown for Task 4:***

Project Manager, 45% of line (d) \$

Technical Staff, 10% of line (d) \$

Contracting, 45% of line (d) \$ \_\_\_\_\_

(7) Subtotal = \$

(8) Estimated Total Labor Cost  
[add lines (4), (5), (6), and (7)] = \$ \_\_\_\_\_

(9) VE Study of Preliminary Design (\$40K to \$50K) = \$ \_\_\_\_\_



- (10) **Real Estate Support, if needed (Titles, Easements, Institutional Controls) =** \$ \_\_\_\_\_
- (11) **Sampling and Analysis During RD (if done by USACE) =** \$ \_\_\_\_\_
- (12) **Other** (e.g., travel, other site work such as surveys, pilot studies, and modeling) = \$ \_\_\_\_\_
- (13) **Total USACE In-House Cost**  
[add lines (8), (9), (10), (11), and (12)] = \$ \_\_\_\_\_
- (14) **A/E Contractor Cost [line (2)] =** \$ \_\_\_\_\_
- (15) **Total USACE In-House and A/E Contractor Cost**  
[add lines (13) and (14)] = \$ \_\_\_\_\_
- (16) **Management and Support Fee**  
[multiply 1.8% x line (15)] = \$ \_\_\_\_\_
- Note: EPA Regional office should contact EPA Headquarters to confirm the current M&S fee percentage that should be used in this calculation.
- (17) **Total IAG Amount**  
[add lines (15) and (16)] = \$ \_\_\_\_\_

## **II. Determine Fully Loaded Rates for Salary Per Hour Including Overhead Costs.**

EPA should estimate the total costs per hour for USACE staff, broken down by GS level. The total dollar per hour costs for USACE staff labor should be 'fully loaded' and cover both the person's salary per hour costs and overhead costs. Since overhead rates vary between USACE district offices (with a total range of about 12% between USACE district offices), EPA regions should request the current overhead rate from the USACE district office and incorporate that rate into the hourly rate calculation.

Overhead costs include general/administrative and departmental overhead costs associated with support provided by that person's work. Examples of general and administrative overhead include costs to cover support provided by USACE staff who do not charge their time to the IAG, such as staff from the following USACE offices: Finance and Accounting, Information Management, Executive, Office of Council, Public Affairs, Human Resources, Safety, Security, and other offices. Examples of departmental overhead costs include: GSA rent and utilities, training, office supplies, travel, reproduction, depreciation, insurance, health care, benefits such as annual and sick leave, and other costs.

The 'fully loaded' rates for salary per hour are determined by multiplying the hourly dollar rate for USACE staff time at the locality where they work by the overhead rate at the

USACE district office. The EPA region must conduct two steps to determine this rate:

Step 1: Identify hourly rates for the duty location for the USACE staff.

These rates are provided by the U.S. Office of Personnel Management's General Schedule Locality Pay Tables, available through <http://www.opm.gov/oca/>.

Step 2: Identify the overhead rate for the office location of the USACE staff.

Request the current overhead rate from the USACE district office.

Program Manager (GS-14) =  
(\$ hourly rate for locality) x (\$ overhead rate from USACE district office) = \_\_\_\_\_ \$/hr

Project Manager (GS-13) =  
(\$ hourly rate for locality) x (\$ overhead rate from USACE district office) = \_\_\_\_\_ \$/hr

Technical Staff (GS-12) =  
(\$ hourly rate for locality) x (\$ overhead rate from USACE district office) = \_\_\_\_\_ \$/hr

Contracting Staff (GS-11) =  
(\$ hourly rate for locality) x (\$ overhead rate from USACE district office) = \_\_\_\_\_ \$/hr

Administrative Support Staff (GS-7) =  
(\$ hourly rate for locality) x (\$ overhead rate from USACE district office) = \_\_\_\_\_ \$/hr

### **III. Determine Number of Hours To Be Worked by USACE Staff During RD, Broken Down by GS Level**

EPA should estimate the total number of hours to be worked by USACE staff during RD, broken down by GS level and by Task. The total labor hours for USACE staff are determined by dividing the total labor costs for USACE staff during RD by the 'fully loaded' rates for each USACE staff person who EPA estimates will work on the project.

The total labor costs for USACE staff during RD should be broken down by task and by GS level.

- The total labor costs were determined under Section I, under line (3), under the subsection on 'Breakdown of USACE Labor Costs'.
- The 'fully loaded' rates for each USACE staff person who EPA estimates will work on the project were determined under Section II.

The total number of hours to be worked by USACE staff during RD broken down by GS level are calculated as follows:

**Program Manager (GS-14) =**  
[Total Labor Costs from Section I under line (3)] divided by  
[\$/hr for fully loaded rate] = \_\_\_\_\_ number of hours



**Project Manager (GS-13) =**  
[Total Labor Costs from Section I under line (3)] divided by  
[\$/hr for fully loaded rate] = \_\_\_\_\_ number of hours

**Technical Staff (GS-12) =**  
[Total Labor Costs from Section I under line (3)] divided by  
[\$/hr for fully loaded rate] = \_\_\_\_\_ number of hours

**Contracting Staff (GS-11) =**  
[Total Labor Costs from Section I under line (3)] divided by  
[\$/hr for fully loaded rate] = \_\_\_\_\_ number of hours

**Administrative Support (GS-7) =**  
[Total Labor Costs from Section I under line (3)] divided by  
[\$/hr for fully loaded rate] = \_\_\_\_\_ number of hours

**Attachment 3 (continued):**  
**Spreadsheets For Estimating USACE FTE Hours/Costs, Travel and Other Direct Costs for**  
**RD or RA Support at Superfund Sites**

**B) Spreadsheet For USEPA Estimate of USACE In-House Costs – Remedial Action**

This estimate is for USACE in-house costs for conducting remedial actions. Regions should adjust the assumptions in the spreadsheets as appropriate to account for known variations in individual projects.

The methods provided below for estimating USACE in-house costs for conducting remedial actions follow the methods described more fully above under the RD Spreadsheet. Please refer to the discussion above under the RD Spreadsheet for more details on how to conduct the following calculations.

**Project Name:** \_\_\_\_\_

**Prepared by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Estimated RA Construction Cost (from RD):** \$ \_\_\_\_\_

**Project Description:** \_\_\_\_\_

**Any Complicating Factors (i.e., technology, residential issues, location, contract type, etc.)?:** \_\_\_\_\_

**(1) USACE Labor Cost for RA**

**(ranging between 8-20%\* of estimated RA Construction Cost taken from the 100% RD):** \$ \_\_\_\_\_

\*Notes:

a) As noted below, as the RA cost estimate increases, the USACE labor cost as a percentage of the total RA cost generally decreases.

b) As the RA cost estimate decreases, the USACE labor cost as a percentage of the total RA cost generally increases.

c) As RA complexity increases, the USACE labor cost should also generally increase.

<u>Est. RA Const. Cost</u>	<u>USACE labor cost as a % of RA cost</u>
Up to \$1.0 Million	20%
\$1.0 Mil to \$5 Mil	12%
More than \$5 Mil	8%



### **Breakdown of USACE Labor Costs:**

EPA should next estimate the total labor costs for USACE staff during RA, broken down by task and by GS level. An estimated breakdown of USACE staff time per Task is provided below. EPA Regions should adjust this breakdown as appropriate, depending on the type and complexity of the RA.

- (a) Task 1 – Project Management [25% of line (1)] = \$ \_\_\_\_\_  
    Program Manager, 10% of line (a) \$ \_\_\_\_\_  
    Project Manager, 85% of line (a) \$ \_\_\_\_\_  
    Budget Analyst, 5% of line (a) \$ \_\_\_\_\_  
(2) Subtotal = \$ \_\_\_\_\_
- (b) Task 2 – On-Site Construction  
    Oversight/Field Staff [60% of line (1)] = \$ \_\_\_\_\_  
    Resident Engineer, 10% of line (b) \$ \_\_\_\_\_  
    Project Engineer, 25% of line (b) \$ \_\_\_\_\_  
    Q/A Specialist, 50% of line (b) \$ \_\_\_\_\_  
    Admin. Support, 15% of line (b) \$ \_\_\_\_\_  
(3) Subtotal = \$ \_\_\_\_\_
- (c) Task 3 – Contract Management [10% of line (1)] = \$ \_\_\_\_\_  
    Project Manager, 10% of line (c) \$ \_\_\_\_\_  
    Contracting Officer, 45% of line (c) \$ \_\_\_\_\_  
    Contract Specialist, 45% of line (c) \$ \_\_\_\_\_  
(4) Subtotal = \$ \_\_\_\_\_
- (d) Task 4 – Project and IAG Closeout (5% of line (1)) = \$ \_\_\_\_\_  
    Contract Specialist, 90% of line (d) \$ \_\_\_\_\_  
    Technical Staff, 10% of line (d) \$ \_\_\_\_\_  
(5) Subtotal = \$ \_\_\_\_\_
- (6) Estimated Total Labor Cost  
    [add lines (2), (3), (4), and (5)] = \$ \_\_\_\_\_
- (7) Real Estate Support (Titles, Easements, ICs) = \$ \_\_\_\_\_
- (8) Sampling and Analysis During RA (if done by  
    USACE, such as for construction quality control;  
    analytical support; field laboratory support) = \$ \_\_\_\_\_
- (9) Engineering & Design (E&D) during Construction = \$ \_\_\_\_\_  
    (Includes E&D support provided by USACE;  
    approximately 20 to 25% x line (12): \$ \_\_\_\_\_

\*\*Note: As RA complexity increases, the USACE Labor Costs cost as a percentage of the A/E cost generally increases.

(10) **Other** (e.g., travel, other site work such as surveys, pilot studies, modeling, wastewater disposal costs if not accounted for in RD estimate) = \$ \_\_\_\_\_

(11) **Total USACE In-House Cost**  
[add lines (6), (7), (8), (9) and (10)] = \$ \_\_\_\_\_

(12) **A/E Engineering & Design during Construction** = \$ \_\_\_\_\_  
(Includes E&D support provided by A/E; ranging between 1-7%\* of estimated RA construction cost taken from the 100% RD):  
\*Notes: As RA complexity increases, the A/E cost should also generally increase.

(13) **Total USACE In-House and A/E Contractor Cost**  
[add lines (11) and (12)] = \$ \_\_\_\_\_

(14) **Management and Support Fee**  
[multiply 1.8% x line (13)] = \$ \_\_\_\_\_

Note: EPA Regional office should contact EPA Headquarters to confirm the current M&S fee percentage that should be used in this calculation.

(15) **Total IAG Amount**  
[add lines (13) and (14)] = \$ \_\_\_\_\_

#### **Labor Hour Breakdown**

(Rounded to nearest whole hour – GS levels are approximate; calculate similarly to how such hours were calculated under the RD Spreadsheet)

**Program Manager (GS-14)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Project Manager (GS-13)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Resident Engineer (GS-13)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Project Engineer (GS-12)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Q/A Specialist (GS-10)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Technical Staff (GS-12)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Contracting Officer (GS-13)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Contract Specialist (GS-12)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.

**Admin. Support (GS-7)** = \$ \_\_\_\_\_ / \_\_\_\_\_ \$/hr = \_\_\_\_\_ hrs.



#### **Attachment 4: IAG Terms and Conditions to Assist RPMs in Monitoring USACE Costs, Quality, and Timeliness**

The following generic list of various Superfund terms and conditions associated with monitoring USACE costs, quality and timeliness may be inserted as Special Conditions into IAGs with USACE, and should assist EPA RPMs, project officers or others within EPA in their oversight of USACE work. During negotiations with USACE on new IAGs, regions are encouraged to discuss incorporating these terms and conditions. Regions may adjust these terms and conditions as appropriate. These generic Superfund terms and conditions may also be used when developing IAGs with other Federal agencies for Superfund support, with adjustments as appropriate.

Also, as part of OSRTI's cost estimating intranet website at <http://intranet.epa.gov/oerrinet/rmd/cmb/cet/index.htm>, model Statements of Work (SOWs) were developed for having contractors develop or oversee Superfund RD or RA work. These model SOWs provide guidance on recommended language that may be inserted into IAGs for USACE support in developing or overseeing these stages of the Superfund pipeline.

#### **Generic Special Conditions for IAGs with USACE for Superfund RD or RA Work**

The USACE agrees to meet the site-specific financial management and recordkeeping responsibilities contained in EPA's "Superfund Financial Management and Recordkeeping Guidance for Federal Agencies" (January 1989).

##### **1. Cost Documentation Requirements**

EPA, acting as manager of the Hazardous Substances Superfund, requires current information on CERCLA response actions and related obligations of CERCLA funds for these actions. In addition, CERCLA, as amended, authorizes EPA to recover from responsible parties all government costs incurred during a response action. In order to help assure oversight and successful recovery of CERCLA funds, both USACE and EPA have responsibilities under this agreement. The USACE accounting system reports must be supported by site - and activity-specific cost documentation. The USACE will organize and retain in a site file documentation of costs by site and activity (e.g. vouchers, billing statements, evidence of payment, audit reports) as follows:

##### **a. Direct Costs**

- Payroll - timesheets or timecards to support hours charged to a particular site, including the signature of the employee and/or the employee's supervisor.
- Travel - travel authorizations (including purpose of trip), local travel vouchers, traveler's reimbursement vouchers, carrier bills (including airline tickets), government owned vehicle bills, appropriate receipts for hotel, car rental, etc., proof of payment. Proof of payment is satisfied by providing a copy of the accomplished Standard Form (SF) 1166 "Voucher and Schedule of Payment" or equivalent.

- Contractor services - copies of contracts, requests for proposals (RFPs), detailed evaluations of contractor bids, contractor invoices, USACE project officer approvals of invoices, proof of payment. Proof of payment is satisfied by providing a copy of the accomplished SF 1166 or equivalent.
- Supplies and Equipment - EPA authorizations to purchase non-expendable property of \$1,000 or more, vendor invoices, proof of payment, and hourly records of equipment use, when applicable.
- Any other direct costs not included in the above categories.

b. Indirect Costs

If indirect costs are not calculated by the USACE accounting system, a worksheet showing calculations of indirect costs charged to a site will be retained by the USACE.

Under this IAG, the USACE certifies: 1) that any indirect costs included in billings to EPA represent, in accordance with GAO principles, indirect costs that would not have been otherwise incurred by the USACE, or 2) that explicit Congressional authority exists for charging other than incremental costs of performance.

2. Reporting Requirements

- a. The USACE will provide monthly progress reports to the EPA Remedial Project Manager (RPM) listed on the IAG form, and to the EPA Regional IAG Coordinator or Regional Project Officer who is assigned to coordinate IAGs within the Regional office. The format and contents for monthly progress reports will follow recommendations provided in EPA's March 2008 OSRTI guidance memorandum entitled: "Monthly Project Reporting for Superfund Interagency Agreements to the U.S. Army Corps of Engineers". The monthly progress reports should minimally contain the following:
- A cover letter which includes the Site Name and IAG Number.
  - Summary of work performed for current period.
  - Estimate of the percentage of the project completed.
  - Accounting of funds expended during the reporting period and on the project to date, which includes budget category cost breakdown.
  - Summaries of all change orders and claims made on contracts during the reporting period.
  - Summaries of all contacts with representatives of the local community, public interest groups, or State government during the reporting period.



- Summaries of all problems or potential problems encountered during the reporting period.
  - Projected work for the next reporting period.
  - copy of the SF 1080 billings statement clearly marked "copy".
  - *[add additional elements to the monthly reports as appropriate]*
- b. *[optional clause]:* The monthly reports should follow the following format *[provide attachment with example format]*
- c. The USACE will submit a complete and signed Request for Reimbursement (SF-1080) to the EPA Financial Management Center, Cincinnati (CFMC), containing, as appropriate, USACE cost by budget category identified by site, site-specific account number, and IAG number. The USACE will follow the procedures contained in EPA's OERR Directive, Memorandum 9295.2-04 entitled "EPA/U.S. Army Corps of Engineers Payment Process, Direct Cite Revised Reimbursement Methods" (available at the following website: <http://www.epa.gov/superfund/cleanup/pdfs/rdra/payment.pdf>). Upon receipt of the USACE certified bills, CFMC processes payment to USACE. Payment will be made within 5 days of receipt and without certification by the EPA regional program office except for final billings. The USACE project manager will provide a copy of the SF 1080 billings clearly marked "copy" with the monthly status report to the EPA regional IAG Coordinator *[state name of the coordinator]* and to the EPA remedial project manager. If EPA detects any apparent discrepancies with the payment request, the problem should be discussed and resolved with the USACE project manager. Any changes required to subsequent payment requests will be documented in a memorandum from the RPM to the USACE project manager.
- d. USACE will provide a final inventory of property, within one month of the end of the Interagency Agreement performance period, describing the condition of each item. USACE will require all contractors to provide a final inventory of property prior to their final contract payment. If the duration of the project is greater than one year, USACE will provide an annual inventory of all property acquired by or furnished to USACE with EPA funds.

### 3. Cost Recovery

In the event of a contemplated cost recovery action, the USACE will provide to EPA or the Department of Justice (DOJ) a cost documentation package detailing site-specific costs and including copies of the back up documentation. In some cases, these requests from EPA or DOJ may require that this documentation be provided in less than thirty days. If additional time is required to comply with a request, USACE will negotiate with EPA or DOJ a schedule for responding. USACE will provide EPA with a contact for obtaining necessary site-specific accounting information and documentation.

4. Cost Collection Upon Cancellation

If EPA cancels the IAG, the USACE is authorized to collect costs incurred prior to cancellation of the IAG plus termination costs, up to the total payment amount provided for under the IAG.

5. Record Retention Requirements

The USACE will retain the documents described in these "Special Conditions" for a minimum of thirty years after submission of a final SF 1080 for a site or sites, after which USACE must obtain written permission from the authorized EPA official before disposing of any of the records. USACE will require all contractors entering into cost reimbursable type contracts to establish and maintain cost documentation as described above.

6. Audits

- a. Superfund cost documentation information must be available for audit or verification upon request of authorized auditing agencies.
- b. If an audit determines that any direct or indirect costs charged to EPA by the USACE are unallowable, the USACE will notify EPA immediately following the release of the audit.

7. Financial Closeout

Within six months after completion of *[Note: Insert Remedial Design or Remedial Action]* activities, the USACE will send a letter to USEPA Regional IAG Coordinator *[state name of the coordinator]* stating that the project has been completed and give the total amount of funds utilized and the amount of excess funds to be deobligated and returned to EPA.

8. Other EPA Involvement

- a. Payment by EPA to USACE contractors is contingent upon receipt of a USACE certified payment request. Reimbursement to USACE for in-house costs is contingent upon receipt of a USACE certified reimbursement request (SF 1080). Final project payments for specific contracts and in-house cost should be reviewed and approved by the EPA regional program office.
- b. EPA will hold title to all property acquired with Superfund monies. EPA will provide the USACE with property disposition instructions upon termination of the IAG and receive fair-market value for any property disposed of or used for non-Superfund activities.

9. Minority Business Utilization

In accordance with Public Law 102-389, EPA's policy requires, to the fullest extent possible, that at least 8% of its overall Federal funding for prime and subcontracts awarded in support of authorized programs be awarded to business concerns or other organizations owned or controlled by socially and economically disadvantaged individuals, including



historically Black colleges and universities and women. In accordance with CERCLA, as amended (P.L. 99-499), Section 105, any Federal agency awarding contracts, grants or cooperative agreements utilizing Superfund monies shall consider the availability of minority contractors for participation in contracts. This includes but is not limited to: contracts, subcontracts, SBA 8(a) awards and any subagreements.

Consistent with the above statutes and policy, the USACE agrees, in awarding contracts under this IAG, to comply with the utilization requirements for Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs) set forth in the Small Business Act, 15 U.S.C. 631 et seq and the annual Small Business goals negotiated with the Small Business Administration (SBA).

Each year, USACE will provide the RPM with a report providing the total amount of procurement dollars awarded and the amount and percentage of such funds awarded to MBEs and WBEs associated with the IAG. In addition, the USACE agrees to submit a report to EPA showing the total amount of procurement dollars awarded and the amount and percentage of such funds awarded to MBEs and WBEs on EPA Forms 6005-3 and 6005-3a by December 15th of the current year. Reports should be submitted to:

Office of Small and Disadvantaged Business Utilization  
U.S. Environmental Protection Agency  
633 3rd Street, N.W. (Mail Code: 1230N)  
Room 8100  
Washington, D.C. 20001

10. Project Specific Conditions

- a. The USACE will invite (with reasonable notice) the EPA RPM to participate in contractor meetings in which scope of the project and/or progress is discussed.
- b. The USACE will invite the EPA RPM to participate in the contractor selection process, as appropriate.
- c. The USACE will have final authority for contract bids, shop drawings and contract modifications that may occur/be prepared during the course of the contract (within contingency fund limitations).
- d. The USACE Project Manager will regularly brief the EPA RPM on the current status of the project. Briefings will be monthly unless a different frequency is mutually agreed upon by both project managers. Emphasis will be placed on project budget, expenditure rates, and schedule.
- e. The USACE personnel and its contractors will have the appropriate safety training and be involved as appropriate in a medical monitoring program as specified in 29 CFR Part 1910; 51 CFR 45663 - 45675; and Section 125(e) of CERCLA, as amended.

- f. All project deliverables will be reviewed by appropriate USACE and EPA personnel within 30 days unless a different frequency is mutually agreed upon by both USACE and EPA project managers. Shortened time frames may be appropriate in cases of expedited schedules.
- h. Upon request, the USACE will, in a timely manner, submit to the EPA RPM all final negotiated contracts and contract modifications with budget information.
- i. If USACE and EPA cannot concur nor conditionally concur regarding any aspect of work associated with EPA and USACE activities under this IAG, such disputes shall be resolved at the lowest level possible within EPA and USACE. In such instances, USACE district or division staff may sequentially elevate the matter to the Commander of the USACE district or division office that is managing the IAG for resolution, and EPA regional or headquarters staff may sequentially elevate the matter to the Director of EPA's Superfund or Waste Management Division within the EPA regional or headquarters office that is managing the IAG for resolution.
- j. Under situations where private contractors or subcontractors who are attempting to contract or are under contract with USACE under this IAG have claimed some information as Confidential Business Information (CBI), USACE will ensure that such private contractors or subcontractors mark the information as CBI or similar claim of confidentiality. USACE will then inform EPA immediately in writing when such a claim has been received, and forward the information marked CBI to EPA for EPA review. EPA's Office of General Counsel/ Office of Regional Counsel will then decide whether the CBI claim is valid. If EPA determines that the information is CBI, USACE and EPA cannot release that information under the Freedom of Information Act (FOIA). If USACE or EPA did not ask the private contractors or subcontractors to identify CBI in its document submittals, and there is a FOIA request, USACE or EPA will have to go back to the private contractors or subcontractors and ask them to identify any CBI. If any questions arise regarding whether or not information is releasable under FOIA, USACE or EPA staff should request that the EPA project officer managing the IAG contact EPA's Office of General Counsel/ Office of Regional Counsel, or the local EPA FOIA Officer, for assistance.
- k. If the EPA project officer changes during the period of performance of the IAG, EPA should submit an IAG Amendment Form as soon as the change occurs. When submitting the IAG Amendment Form, Line 3 (Type of Action) should note "Administrative Amendment", and line 9 (EPA Project Officer Name, Address, Telephone Number) should provide the contact information for the new EPA Project Officer.
- l. On an annual basis, EPA will conduct a performance feedback survey to assess work assigned to USACE through the IAG during the calendar year. The purpose of this feedback survey is to assess the performance of USACE in carrying out assigned Superfund work during the calendar year. The survey includes survey questions that would be filled out by the RPM regarding USACE performance under the IAG. For any sites where an RPM provides a low rating of '1' or '2' for any response to this feedback survey, USACE Headquarters will request that the USACE project manager



contact the RPM to discuss the reasons for that rating and work out how to best resolve the problems or issues raised by the RPM.